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Presentation to
Federal Communications Commission:

BellSouth §271 Checklist
Violations
WC Docket 02-307

October 30, 2002

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OVERVIEW

- Overview of Issues

    - BellSouth's Performance in both provisioning and repair of loops continues to be horrendous – and is even worse than in other BellSouth States.

    - BellSouth has failed to pay millions of dollars in intercarrier compensation that is properly due and owing, dating back to June 2000.

    - There can be no facilities-based competition without competitor access to the last mile and ILEC payment of intercarrier compensation.

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FACT SHEET

➤ **KMC Local Business Service**

  ✓ **Services**

   • **Voice, Data, Internet and Enhanced Services**

  ✓ **Network**

   • **KMC operates local networks in 35 mid-size cities**

   • **$1 Billion invested**

     – 35 Lucent 5ESS Switches

     – 35 Lucent PSAX Soft-switches

     – 2,400 local fiber miles deployed

     – 140 ILEC collocations

  ✓ **Market**

   • **Local Presence of Sales, Service and Customer Support**

     – More than 14,000 customers

     – Over 2.8 Million lines in service (DS-0 equivalents)

     – $175 Million in Revenue (2001)

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KMC Telecom Tier III Markets

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EDEN PRAIRIE

MADISON

LANSING

ANN ARBOR

TOLEDO

AKRON

FORT WAYNE

DAYTON

FREDERICK/BETHESDA/ROCKVILLE

TOPEKA

ROANOKE

HAMPTON ROADS

WINSTON-SALEM

GREENSBORO

JOHNSON CITY/KINGSPORT/BRISTOL

FAYETTEVILLE

CHATTANOOGA

SPARTANBURG

HUNTSVILLE

COLUMBIA

AUGUSTA

CHARLESTON

SAVANNAH

LONGVIEW

MONTGOMERY

TALLAHASSEE

BATON ROUGE

PENSACOLA

BILOXI/GULFPORT

DAYTONA BEACH

MELBOURNE/COCOA

CLEARWATER/ST. PETERSBURG

CORPUS CHRISTI

SARASOTA

FORT MYERS

ILEC

- BellSouth
- SBC
- Sprint
- US West
- Verizon

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BellSouth Has Failed to Provide Access to Loops in Accordance with Checklist Item iv.

- BellSouth's Performance Data Reveals Extremely Poor Access and Service.

- BellSouth's access to loop facilities is clearly discriminatory, based on its own measure for percent of orders placed in jeopardy status:

Percent of Orders Placed in Jeopardy Status Digital Loops DS-1 and Above August, 2002 (All CLEC Orders, Mechanized)		
State	**BellSouth**	**CLECs**
Florida	10%	67%
Tennessee	29%	73%

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BellSouth performance in Georgia following 271 approval has already dropped dramatically

- Nearly 25% more CLEC orders are now placed in jeopardy status in Georgia:

Percent of Orders Placed in Jeopardy Status in Georgia Digital Loops DS-1 and Above August, 2002 (All CLEC Orders, Mechanized)		
	BellSouth	**CLECs**
January 2002	3%	43%
February 2002	4%	56%
March 2002	6%	59%
August 2002	**13%**	**73%**

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(Continued)

- KMC orders have been hit even harder:

State	BellSouth	KMC
Georgia	13%	75%
Louisiana	21%	100%

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Inadequate Installation Quality, Maintenance & Repair

- With respect to provisioning troubles within 30 days of installation, BellSouth admits that it "has not met the benchmarks in Florida" and provided even worse performance in Tennessee.

Percent of Provisioning Troubles within 30 days August 2002 (CLEC Aggregate Data)		
UNE Digital Loops Below DS-1		
State	**BellSouth**	**CLECs**
Florida	4.8%	8.3%
Tennessee	5.1%	5.9%
UNE Digital Loops DS-1 and Above		
State	**BellSouth**	**CLECs**
Florida	6.4%	10%
Tennessee	3.5%	18.9%

- BellSouth also failed to meet two-thirds of the metrics comparing provisioning troubles in both Florida and Tennessee during May, June and July 2002.

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BellSouth's repair performance is equally discriminatory following the initial post-install period.

- The CLEC Customer Trouble Report Rate exceeded BellSouth retail in **every month** in Florida this year for Digital Loops.

- For Tennessee, BellSouth missed parity in 26 of the 28 categories this year.

- Competitors suffered between 14% and 24% repeat troubles in Florida in the most recent two months on DS-1 and higher loops.

- Repeat trouble rate for competitors' DS-1 loops reached 29% in Tennessee in the July/August timeframe.

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BellSouth has failed to comply with the checklist by failing to compensate KMC Telecom as required by the Act and the interconnection agreement.

- To meet checklist item one, an ILEC must satisfy each of the three elements set forth in section 251(c)(2) of the Act, which require an ILEC to actually provide the following (per *New York 271 Order*, para. 63):

    1. Interconnection at any technically feasible point within its network;

    2. That is at least equal in quality to that provided by the local exchange carrier to itself; and

    3. On rates, terms, and conditions that are just, reasonable, and nondiscriminatory, *in accordance with the terms of the agreement* and the requirements of sections 251 and 252.

- An ILEC does not demonstrate compliance with checklist item thirteen merely by entering into an agreement for the payment of mutual reciprocal compensation; instead, an ILEC also must compensate carriers as set forth in such agreements. *(Texas 271 Order*, para. 379)
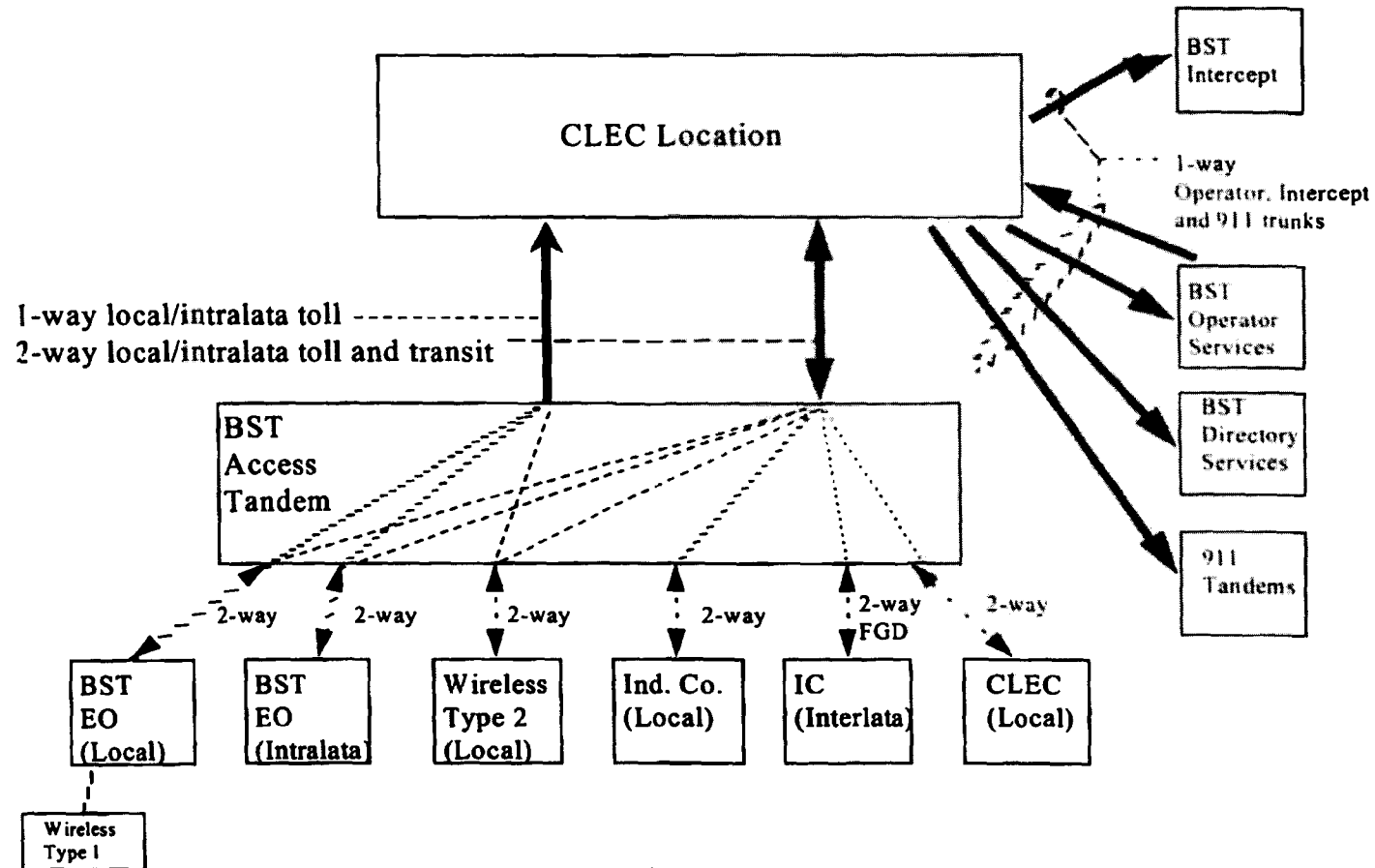
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Basic Architecture

Exhibit B